

IN THE MATTER OF

QUAKER DISTRIBUTORS, INC., ET AL.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 5673. Complaint, July 1, 1949—Decision, Aug. 6, 1951

Where a corporation and its five officers, engaged in the intersale and distribution of "Honor-Craft Aluminum Cookware" and "American Healthcraft Aluminum Ware" through house-to-house canvassers—usually under a crew manager, working on a commission basis; in delivering products ordered, through deliverymen whom it paid on a straight salary basis; and in carrying on their business, under a procedure and in accordance with a practice whereby the initial deposit—refunded in most cases, with cancellation of the order, in the event misrepresentation was claimed and the deliveryman was unable to induce the customer to accept the ware on its merits—was in most cases not refunded after delivery, and irrespective of whether there was misrepresentation in effecting the sale—

- (a) Represented falsely through their salesmen, in order to obtain an interview and an opportunity to sell the merchandise concerned, that they were conducting surveys or polls for the Philadelphia Inquirer or some other newspaper, or in connection with the sale of nationally advertised merchandise on behalf of Procter & Gamble, Lever Bros., and the Campbell Soup Co.;
- (b) Represented falsely that the prospective purchaser could obtain a set of their said ware at a greatly reduced price by clipping coupons from newspapers or by sending in box tops or wrappers taken from designated merchandise such as Ivory soap; and
- (c) Represented falsely to prospective purchasers that the price charged for their said ware was a substantial reduction from the retail price and made for the purpose of saving income taxes;

With the result that a substantial number of purchasers were thereby induced to purchase their said aluminum ware in the belief that they were participating in a survey or poll and were obtaining it at a substantial reduction in price;

- (d) Represented that their aluminum ware could be used for the preparation of food without the addition of water and that it, therefore, was of substantial value in protecting health by saving vitamins and minerals;

The facts being that while less water is needed in cooking vegetables with their products than when cooking in an open pot or lighter weight pot, and there was some saving in vitamins and minerals, it is necessary, with some exceptions, to add water to obtain satisfactory results; and

- (e) Made use of the address "Veterans Administrative Mgr." etc., in an advertisement placed in the Philadelphia Inquirer in connection with the obtaining of salesmen to sell their said ware;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public and thereby induce its purchase of substantial quantities of their said products:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice of the public and constituted unfair and deceptive acts and practices in commerce.

As respects the issue, as apprehended by respondents, as to whether or not respondents' use of the terms "Waterless cookware" or "Waterless cooker" alone, without other affirmative statements that food could be prepared in utensils so designated without the addition of water, was misleading and deceptive: it was not the Commission's intention to raise such issue, and it did not consider said question in the determination of the instant matter.

With regard to the advertisement which contained the address for reply, "Veteran's Administrative Mgr." etc., in seeking salesmen, it appeared that it was placed twice by an employee for the purpose of hiring veterans for such purpose, and did not come to the attention of any of the respondents until after its second insertion, when it was canceled and discontinued; and in view of such voluntary discontinuance and nonresumption of the practice there was not sufficient public interest involved to warrant further corrective action.

As concerns evidence of meetings of salesmen on several occasions at which one of respondents advised them that the use of the so-called "soap and survey method of selling," above described, must be discontinued: it appeared that the salesmen continued to make the false representations concerned, that respondents were notified continually to such effect, that in their capacity as employers they had available effective means of eliminating the use of such false representations by their employees, and that they not only made no determined effort to stop the practice but on the contrary, took advantage of their salesmen's misrepresentations by attempting to complete sales thus made through their instructions to their deliverymen to attempt to persuade purchasers to take delivery; so that, while ostensibly objecting to said misrepresentations, they were making no determined effort to stop the practice and were benefiting from it.

Before *Mr. Earl J. Kolb*, trial examiner.

Mr. William L. Pencke for the Commission.

Sundheim, Folz, Kamsler & Goodis, of Philadelphia, Pa., for respondents.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Quaker Distributors, Inc., a corporation, and Jack Weinstock, Nathan Loesberg, Robert Bertin, Jack Gerstel, and Louis Tafler, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said act, and it appearing to the Commission that a proceeding by it in respect thereto would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Quaker Distributors, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at 1649 North Broad Street, Philadelphia 22,

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Pa.; respondents Jack Weinstock, Jack Gerstel, and Louis Tafler are president, secretary, and treasurer, respectively, and Nathan Loesberg and Robert Bertin are vice presidents of said corporation, and control the management, policies, and operation thereof, particularly in respect to the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and for more than 1 year last past, have been engaged in the sale and distribution of aluminum cooking utensils, designated Honor-Craft Aluminum Cookware and American Healthcraft Aluminum Ware in commerce between and among the various States of the United States and in the District of Columbia. Respondents have caused and do now cause said merchandise, when sold, to be transported from their said place of business in the State of Pennsylvania to purchasers thereof located in other States of the United States and in the District of Columbia. There is now and has been at all times mentioned herein a constant course of trade in said cooking utensils sold by respondents between and among the various States of the United States and in the District of Columbia, Respondents' volume of business in said utensils in such commerce has been and is substantial.

PAR. 3. In the course and conduct of said business, as aforesaid, and for the purpose of inducing the purchase of said cooking utensils, respondents, through the medium of sales agents and sales representatives, have made and are making many statements and representations to the purchasing public to the effect that respondents are conducting surveys and polls for newspapers and other publications, such as the Philadelphia Inquirer and the Philadelphia Bulletin, and also for manufacturers selling and distributing nationally known and advertised merchandise, such as Proctor & Gamble, Lever Bros., Campbell Soups, and others; and that in connection therewith, respondents have been authorized to sell assembled sets of Honor-Craft and American Healthcraft aluminum kitchenware at a reduced price; that in consideration of participating in said surveys and polls, and for the further purpose of increasing subscriptions and sales, respondents have been authorized to offer said aluminum ware regularly sold at \$119 for the price of \$49.50, plus a service charge of \$2; and that payment therefor could be made by making a small deposit, followed by weekly remittances of \$1, together with coupons clipped from comic strips or advertisements, or with box tops and wrappers of specified articles.

Respondents, in the manner aforesaid, have made and are making further representations to the effect that certain manufacturers offer said aluminum kitchenware for half of its actual value in order to

reduce tax liabilities; that said cooking utensils are of superior quality, enabling purchasers thereof to prepare food without the need of adding water, and that food thus prepared guards the health of the user; that if purchasers do not desire to keep said utensils, they can return them to respondents who will return the deposits paid thereon.

PAR. 4. All of the aforesaid representations and statements, and many others similar thereto, but not herein specifically set forth, are grossly false, deceptive and misleading. In truth and in fact, respondents are engaged in the sale of aluminum cooking ware solely for their own profit. None of them is connected, or affiliated in any manner whatsoever, with any newspaper or other publication nor with any manufacturer, distributor or seller of merchandise. Respondents do not conduct surveys or public opinion polls and have not been authorized to do so by, or to act as representatives for, any manufacturer, newspaper, publisher, or any other person or organization. The representations made by respondents through their agents and salesmen that said aluminum ware may be obtained at a reduced price by mailing coupons, box tops or wrappers with installment payments are false and made solely to create the belief in the mind of the purchasing public that respondents are duly authorized representatives of said newspapers, publishers or manufacturers and as such are authorized to offer said aluminum ware at reduced prices.

In truth and in fact, the sum of \$49.50 is the price at which said aluminum ware is regularly sold by respondents and not \$119, as represented. Respondents have never been authorized by any individual, firm or corporation to represent to the purchasing public that said aluminum ware is offered at a reduced price for the purpose of saving or avoiding taxes.

Said aluminum ware does not guard or necessarily improve the health of the user, and in order to prepare most articles of food properly without burning, it is necessary to add water.

Respondents refuse to make refunds of deposits and accept the return of said aluminum ware in many cases. Whenever refunds have been made it was done only after purchasers had complained to Better Business Bureaus or made persistent and repeated demands for adjustments.

PAR. 5. To further the scheme of selling said aluminum ware, as described in paragraphs 3 and 4 hereof, respondents have published advertisements in the Philadelphia Inquirer and other newspapers having a national circulation, of which the following is a typical example:

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YOUR HEALTH COMES FIRST

The manufacturer guarantees that the metal of this cast aluminum utensil bearing the symbol (CS) conforms to Commercial Standard CS134.46 as issued by the National Bureau of Standards of the United States Department of Commerce.

Cast Division

Aluminum Wares Association

WITH AMERICAN HEALTHCRAFT.

By means of said advertisement respondents represent and imply that said American Healthcraft Aluminum Ware is conducive to the protection of the user's health and that it has been manufactured to conform to the standards established by the National Bureau of Standards and the Aluminum Wares Association.

In truth and in fact, the sole purpose of publishing said advertisement is to support the false and misleading representations made by respondents' agents and salesmen as described in paragraphs 3 and 4 hereof and to serve as a coupon or means of enabling said purchasers to take advantage of the alleged reduced price of said ware as hereinabove set forth.

PAR. 6. In the Philadelphia Inquirer of November 23, 1948, and other issues of said newspaper, respondents published the following advertisement:

MEN (2)
\$35.00 Salary
Plus Comm.

America's leading housewares organization is prepared to train two ambitious men to assist Sales Director. Good references required. Reply ready for work.

Veterans Administrative Mgr.
1321 Arch Street,
Suite 807.

By employing the phrase "Veterans Administrative Mgr." in said advertisement respondents imply that the Veterans' Administration, a branch of the United States Government, has caused the publication of said advertisement or that respondents' business is in some way connected with the Veterans' Administration for the purpose of aiding war veterans.

In truth and in fact, the use of said phrase is wholly unwarranted, false and misleading. Neither the Veterans' Administration nor any other branch of the United States Government published said advertisement and respondents' business is not connected in any manner with the Veterans' Administration. The sole purpose of using the words "Veterans' Administrative Mgr." is to lead applicants for said positions into the belief that such Government connection exists, and

to induce men seeking employment to respondent to said advertisements on account thereof.

PAR. 7. The aforesaid false, misleading and deceptive statements and representations made by respondents, have had the tendency and capacity to and do mislead and deceive a substantial part of the purchasing public into the false and erroneous belief that said statements and representations are true and induce a substantial number of the public, because of such erroneous and mistaken belief, to purchase substantial quantities of respondents' said merchandise.

PAR. 8. The methods, acts, and practices of respondents, as hereinabove alleged, are all to the prejudice of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on July 1, 1949, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of that act. After the filing of respondents' answer, testimony and other evidence in support of and in opposition to the allegations of the complaint were introduced before a trial examiner of the Commission theretofore duly designated by it, and such testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission upon the aforesaid complaint, the respondents' answer thereto, the testimony and other evidence, and the recommended decision of the trial examiner and exceptions thereto by counsel for respondents and briefs and oral argument of counsel; and the Commission, having duly considered the matter and having ruled on the exceptions to the recommended decision of the trial examiner, and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Quaker Distributors, Inc., is a corporation organized, existing and doing business under the laws of the Commonwealth of Pennsylvania with its principal office and place of business at 1649 North Broad Street, Philadelphia, Pa. Respondent Jack Weinstock is president and general manager of said corporate

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respondent. Respondent Louis Tafler is treasurer and delivery manager for said corporate respondent. Respondent Robert Bertin was at the time complaint was filed in these proceedings vice president of said corporate respondent. Respondent Nathan Loesberg is vice president and sales manager of said corporate respondent. Respondent Jack Gerstel is secretary of said corporate respondent. The individual respondents hereinabove named control the management, policies, and operation of the respondent corporation.

PAR. 2. Respondents have since 1947 been engaged in the sale and distribution of aluminum cooking utensils, designated Honor-Craft Aluminum Cookware and American Healthcraft Aluminum Ware, in commerce among and between the various States of the United States. Respondents have caused and do now cause said merchandise when sold by them to be transported from their office in the city of Philadelphia, State of Pennsylvania, to purchasers thereof located in other States of the United States. Respondents maintain and during the times mention herein have maintained a course of trade in said aluminum ware in commerce between and among the various States of the United States. Respondents' volume of business in said utensils in such commerce has been substantial.

PAR. 3. In the course and conduct of their business, the respondents sell their aluminum ware direct to the purchasing public by means of salesmen or agents who go from house to house and are usually under the supervision of a crew manager. These agents or salesmen are employees of the respondent corporation and work entirely upon a commission basis amounting to approximately 22 percent of the gross sales price. Salesmen for respondent corporation since the commencement of operations in 1947 have sold approximately 17,000 sets of aluminum ware and of these sales, delivery was made of 13,144 sets. The respondents maintain an average sales force of 35 salesmen and in order to maintain this sales force hire approximately 400 salesmen during the course of 1 year.

PAR. 4. In making their initial approach to a prospective customer, the respondents through their sales agents represent to such prospective customers that the respondents are engaged in conducting surveys or polls for newspapers and other publications such as the Philadelphia Inquirer and the Philadelphia Bulletin and also for manufacturers selling and distributing nationally known and advertised merchandise such as Procter & Gamble, Lever Bros., Campbell Soups, and others and that in connection therewith respondents have been authorized to sell assembled sets of Honor-Craft Aluminum Cookware and American Healthcraft Aluminum Ware at a reduced price on condition that the purchasers participate in such survey or poll by

clipping certain advertisements or coupons from newspapers or furnishing box tops or wrappers from designated merchandise when installment payments are made.

PAR. 5. Respondents by and through their salesmen have also represented to purchasers and prospective purchasers that certain manufacturers offer said aluminum ware for half its actual value or at a substantial reduction from the purchase price in order to reduce tax liabilities; that said cooking utensils are of superior quality enabling purchasers thereof to prepare food without the need of adding water.

PAR. 6. During the early part of the period beginning 1947, the respondents sold their aluminum ware at a price of \$51.90 but during the greater portion of respondents' business operation said aluminum ware has been sold at the price of \$55.90 payable \$2.90 at the time order is taken and \$3 at the time of delivery and \$2 per week or \$2 every other week at the customer's option.

PAR. 7. When respondents' salesman is successful in inducing a prospect to purchase respondents' aluminum ware he causes her to sign a contract setting out the terms of payment as hereinabove described. When such sales contract has been entered into but before delivery is effected, respondents send a confirmation letter to the customer.

PAR. 8. The respondents deliver their aluminum ware through their delivery department and such deliveries are made by delivery men who are paid on a straight salary basis. In making a delivery, respondents' delivery man first goes to the customer's door without the set of aluminum ware and confirms the purchase. The set is then carried in to the customer's house, opened in her presence, and the cook book, guarantee, and at least one utensil is exhibited to the customer. The delivery slip is then completed in the presence of the customer and said customer is requested to sign the slip receipting for delivery and to pay the additional deposit of \$3 as provided for in the contract of sale.

PAR. 9. At the time delivery is made by respondents' delivery man, if any objection is made to accepting the merchandise and the customer cannot be induced to accept, the merchandise is returned to respondents' place of business. In such instances where no claim for misrepresentation or fraud has been made, the original deposit taken at the time of the placing of the order is retained by the respondents and no refund made.

If, at the time of delivery, the customer indicates or claims that any misrepresentation has been employed by the salesman in effecting the sale, the delivery man explains that the respondents have no affilia-

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tion with any other concern, directs the customer's attention to the terms of sale as set forth in the contract, and urges the customer to accept the aluminum ware on its own merits. If not successful in inducing the purchaser to accept delivery, the order is canceled and the respondents in most cases refund the deposit made at the time of taking the original order.

Where complaint was made after delivery, respondents refused to cancel the order or to refund the deposit in most cases. Even in cases where the sale had been made through misrepresentation, if delivery had been made, cancellation of the order usually was refused. In some of these cases involving misrepresentation a satisfactory adjustment was finally arrived at but only after the purchasers had made persistent and repeated demands therefor.

PAR. 10. Based upon the testimony of a number of purchasers who appeared as witnesses in this proceeding and also based upon the testimony of the various respondents with reference to their sales practices, it is found that respondents' salesmen have, from time to time for the purpose of obtaining an interview and endeavoring to sell respondents' merchandise, represented that they were conducting a survey or poll on behalf of the Philadelphia Inquirer or some other newspaper or that they were conducting a survey or poll in connection with the sale of nationally advertised merchandise on behalf of, or in connection with, Procter & Gamble, Lever Bros., and the Campbell Soup Co. In connection with the representations as to such survey or poll, the salesmen of respondents have represented that the prospective purchaser could obtain a set of respondents' aluminum ware at a greatly reduced price by clipping coupons from the Philadelphia Inquirer or other newspapers or by sending in box tops or wrappers taken from certain designated merchandise such as Ivory soap and other items of merchandise. In addition, respondents' salesmen have variously represented to prospective purchasers that the price charged for respondents' aluminum ware was a substantial reduction from the retail price and was made for the purpose of making a saving in income tax.

PAR. 11. The respondents are not connected with the Philadelphia Inquirer or any other newspaper, or with any manufacturer of nationally advertised merchandise such as Procter & Gamble, Lever Bros., or Campbell Soup Co., and have never been authorized to conduct any advertising campaign for or in their behalf. Respondents do not conduct surveys or public opinion polls and have not been authorized to do so by any manufacturer, newspaper publisher, or any other person or organization. A substantial number of purchasers by reason of such representations have been induced to pur-

chase respondents' aluminum ware in the belief that they were participating in a survey or poll and that they were obtaining said aluminum ware at a substantial reduction in price when in fact the usual and customary price for which the respondents sold their aluminum ware was \$55.90 in 1949 and \$51.90 approximately 2 years prior thereto.

PAR. 12. In addition to the representations hereinabove described, the respondents through their salesmen have also represented that their aluminum ware could be used for the preparation of food without the addition of water and that therefore their aluminum ware was of substantial value in protecting the health by saving vitamins and minerals. With the exception of the leafy vegetables, such as spinach, to which a substantial amount of water adheres in washing or soaking, it is necessary to add some water to obtain satisfactory results under ordinary cooking conditions. In view of the fact, however, that less water is needed in cooking vegetables with respondents' aluminum ware than when cooked in an open pot or lighter weight pots, there is some saving in vitamins and minerals, but the water requirements necessary for satisfactory cooking in respondents' aluminum ware is such as to require discontinuance of affirmative representations that respondents' aluminum ware can be used to cook vegetables generally without the use of water. Respondents have indicated by the content of their brief and oral argument that they consider the complaint herein to have raised the issue of whether or not respondents' use of the terms "waterless cookware" or "waterless cooker" alone without other affirmative statements that food can be prepared in utensils so designated without the addition of water, is misleading and deceptive. The Commission in issuing this complaint did not intend to raise this issue and has not considered this question in the determination of this matter.

PAR. 13. In connection with obtaining salesmen to sell their aluminum ware, the respondents placed an advertisement in the Philadelphia Inquirer on November 23, 1948, which appeared twice in such paper. This advertisement contained the address for reply "Veterans Administrative Mgr., 1321 R Street, Suite 807." According to the testimony of the respondents, this advertisement, which was placed by an employee for the purpose of hiring veterans to act as salesmen, did not come to the attention of any of the respondents until after its second insertion, at which time the advertisement was canceled and discontinued. As this practice was discontinued voluntarily by the respondents and has not been resumed, there is not sufficient public interest involved to warrant further corrective action in connection therewith.

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PAR. 14. In the course of their defense in this proceeding, the respondents introduced evidence as to measures taken by them to cause salesmen to discontinue the use of the so-called soap and survey method of selling hereinabove described. On several occasions Jack Weinstock addressed meetings of salesmen and advised them that the use of such method of selling must be discontinued or orders would be canceled and no commission paid. However, respondents' salesmen have continued to make the above described false representations and respondents have been notified continually that their salesmen are so misrepresenting. In their capacity as employers respondents have available effective means of eliminating the use of these false representations by their employees. Respondents have not made a determined effort to stop this practice. In fact respondents have taken advantage of their salesmen's misrepresentations by attempting to complete sales made by such misrepresentations. Respondents have instructed their delivery men to attempt to persuade purchasers complaining of such misrepresentation to take delivery of the merchandise. Respondents, while ostensibly objecting to their salesmen's misrepresentations, are making no determined effort to stop the practice and are benefiting from it.

PAR. 15. The aforesaid false, misleading, and deceptive statements and representations made by the respondents as hereinbefore described have had the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the false and erroneous belief that the said statements and representations are true and to induce a substantial number of the public because of such erroneous and mistaken belief to purchase substantial quantities of respondents' aluminum ware.

CONCLUSION

The acts and practices of the respondents as hereinabove found are all to the prejudice of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the respondents' answer thereto, testimony and other evidence in support of and in opposition to the allegations of the complaint introduced before a trial examiner of the Commission theretofore duly designated by it, the trial examiner's recommended decision and exceptions thereto of counsel for respondents, briefs and oral argument of counsel, and the

Commission having ruled on the exceptions to the trial examiner's recommended decision and having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent Quaker Distributors, Inc., a corporation, and its officers, representatives, agents and employees and the individual respondents Jack Weinstock, Nathan Loesberg, Robert Bertin, Jack Gerstel, and Louis Tafler and their respective representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of aluminum ware or other merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing directly or by implication:

1. That they are conducting a poll or survey;
2. That the purchasers of the said merchandise are being given a reduced price for such merchandise or any other valuable consideration as a premium or reward for their collection of box tops, clipping of advertisements, cooperation in furnishing information or participation in any other similar project or activity;
3. That the said merchandise is being sold at a substantial discount or reduction in price when the price so charged is the usual and customary price at which they sell the said merchandise in the ordinary course of business;
4. That respondents' aluminum ware can be used for cooking foods in general without the use of water.

It is further ordered, That the respondents shall within 60 days after service upon them of this order file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

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IN THE MATTER OF

ARLUCK BLANKET CORP. AND ELMER M. ARLUCK

COMPLAINT, FINDINGS, AND ORDERS IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914, AND OF AN ACT OF CONGRESS APPROVED OCT. 14, 1940

Docket 5847. Complaint, Feb. 5, 1951—Decision, Aug. 7, 1951

Where a corporation and its president, who controlled its operations, engaged in the introduction into commerce and in the offer, sale, and distribution therein of blankets which were made for them on a contract basis, from materials which they supplied to the manufacturer; and were wool products as defined in the Wool Products Labeling Act—

Misbranded said blankets in that, (1) labeled "100% Wool exclusive of ornamentation," they were not composed entirely of "wool" as defined in said act, but contained substantial amounts of "reused wool" and "reprocessed wool"; and (2) they did not have affixed thereto tags or labels showing their constituent fibers and the percentages thereof:

Held, That such acts and practices, under the circumstances set forth, were in violation of sections 3 and 4 of the Wool Products Labeling Act of 1939, and the rules and regulations promulgated thereunder, and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. James A. Purcell*, trial examiner.

Mr. Jesse D. Kash for the Commission.

Mr. Milton Lerner, of New York City, for respondents.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said acts, the Federal Trade Commission, having reason to believe that Elmer M. Arluck, an individual, and Arluck Blanket Corp., a corporation, hereinafter referred to as respondents, have violated the provisions of said acts and rules and regulations promulgated under the Wool Products Labeling Act of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Elmer M. Arluck is an individual and Arluck Blanket Corp. is a corporation organized and existing under and by virtue of the laws of the State of New York with its office and principal place of business located at 257 Fourth Avenue, New York, N. Y. Respondent Elmer M. Arluck is president of Arluck Blanket Corp. and in control of its operations, and said respondent corporation is in fact an instrumentality through which the said Elmer M. Arluck conducts his business.